



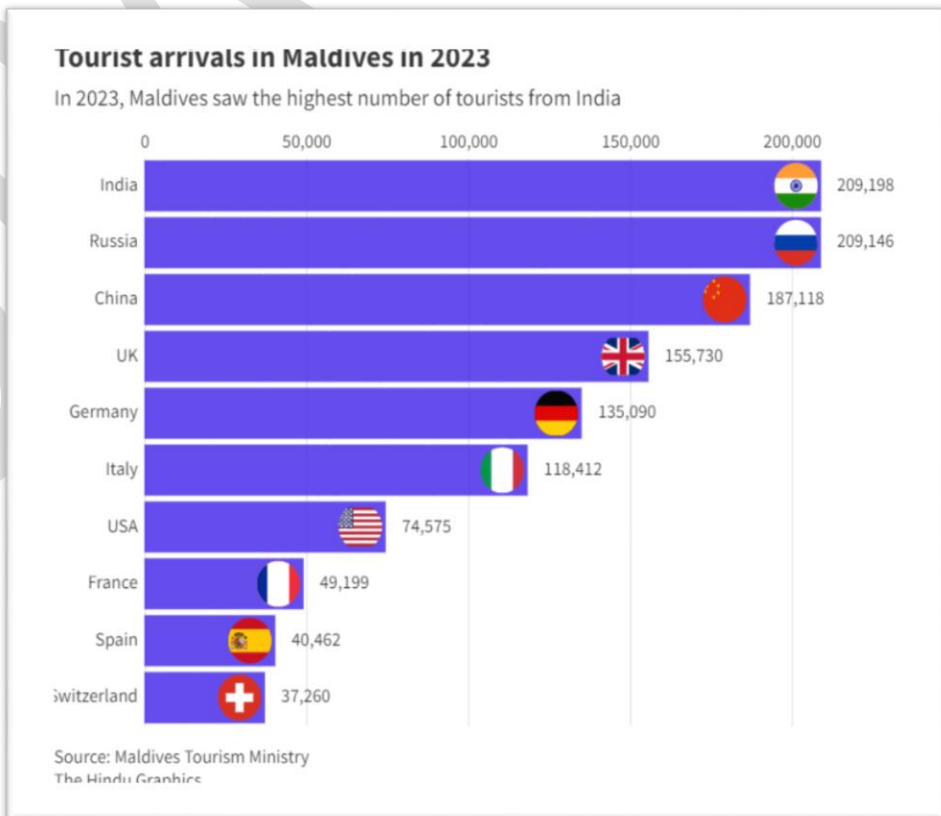
India Maldives

Why in News?

The rapid decline in ties between India and the Maldives, just a month after Prime Minister Narendra Modi met with the newly elected Maldivian President Mohamed Muizzu, should set alarm bells ringing.

Key Highlights

- The trigger undiplomatic words used by three Maldivian Ministers, attacking Mr. Modi for promoting the Lakshadweep islands during his recent sojourn there at a perceived cost to the Maldives and for his close ties with Israel; the Ministers also made derogatory remarks about Indians.
- The tweets have been deleted, the Ministers suspended, and the Maldivian government has distanced itself from them, but the damage has been done.
- The respective Ambassadors were summoned. Hurt Indians have crowded social media sites calling for an economic “boycott” of the Maldives — Indian tourists make up the most arrivals post-COVID-19.
- However, the underlying reasons run deeper, and could have a broader impact on India-Maldives relations and the neighbourhood, accruing to the change in government in Male. Mr. Muizzu rode to power on the back of the PPM’s “India Out” campaign.
- Despite its disappointment with the win of ‘anti-Indian forces’, given the warm relationship it shared with his predecessor Ibrahim Solih, the Modi government sent a Minister to his swearing in, and there was a Modi-Muizzu meet at the COP28.
- However, Mr. Muizzu chose Turkey as his first bilateral destination, and is now visiting China — becoming the first President not to make India his first priority. Even President Yameen, who began the “India Out” movement and cozied up to Beijing, visited Delhi first in 2014.
- Mr. Muizzu has continued to press India on the withdrawal of its military personnel, even though India has clarified their role.
- With the calls for boycotts and rising hypernationalistic rhetoric, Delhi and Male need to take a step back and reassess their responses.
- Mr. Muizzu can ill-afford to antagonise India, given its proximity, economic might and historical position as a net security provider in the Indian Ocean, something Maldives has relied on. India too must see the futility of muscling in a



much smaller neighbour, however egregious the provocation.

- The last few years of ties between the Solih government and Delhi show the benefits of a stronger relationship: India's infrastructure forays and development projects in the islands, an intense strategic partnership, support during the COVID-19 pandemic, and cooperation on the international stage.
- For India, in a region that sees several elections this year, it is paramount to ensure that domestic political changes in the neighbourhood do not change the basic structure of bilateral ties, or affect regional stability.

Evolution of India and Maldives Relations

Early Diplomatic Ties (1965-1978)

- Maldives got independence from the British in 1965.
- Established diplomatic relations with India.
- India was quick to recognize Maldives as an independent nation.

Strategic Partnership (1978-1988)

- Maritime Boundary Agreement in 1979 defined sea borders.

Political Turbulence (1988-2008)

- 1988 coup attempt led to Indian military intervention (Operation Cactus).
- Aimed to stop the coup and maintain political stability.
- Caused a temporary strain in relations but got resolved.

Normalization and Economic Cooperation (2008-2013)

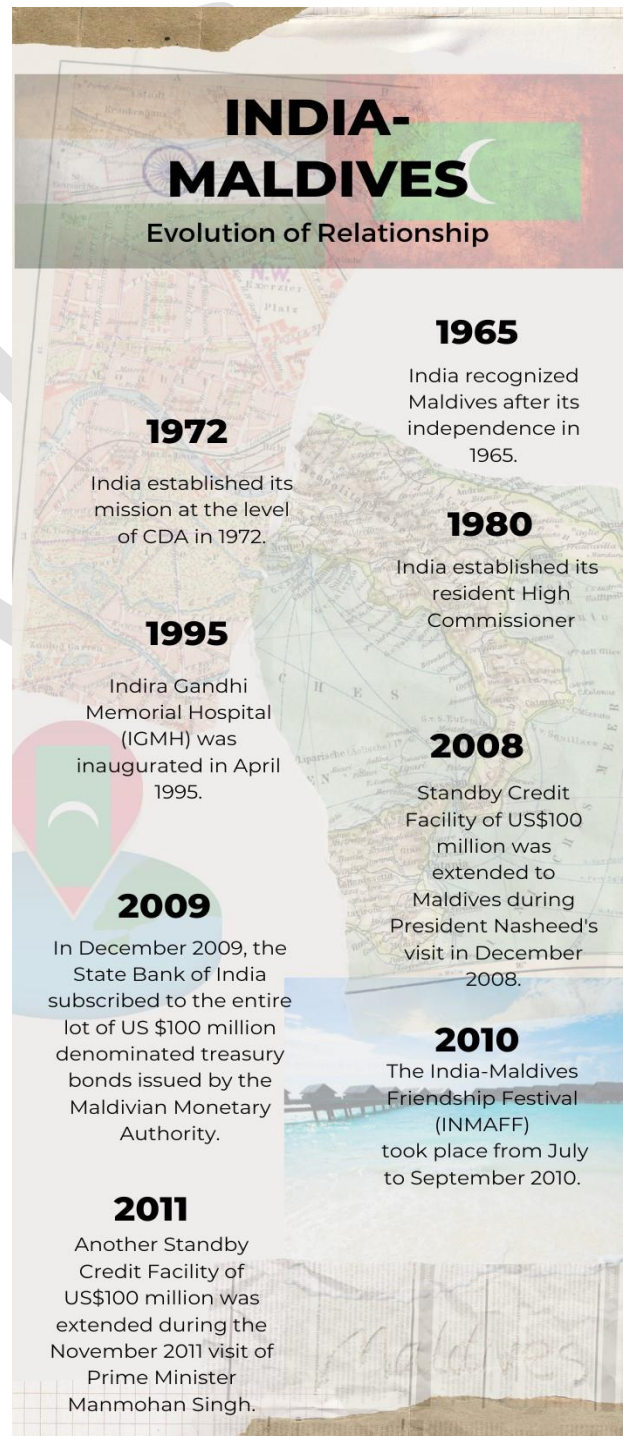
- 2008: Peaceful political transition in the Maldives.
- Improved relations with a focus on economic cooperation, trade, and people-to-people ties.
- India provided developmental aid for infrastructure projects and capacity building.

Period of Strain (2013-2018)

- Concerns during Abdulla Yameen's presidency: democratic issues, human rights, perceived alignment with China.
- Growing Maldives-China engagement, including Belt and Road Initiative projects, worried India.

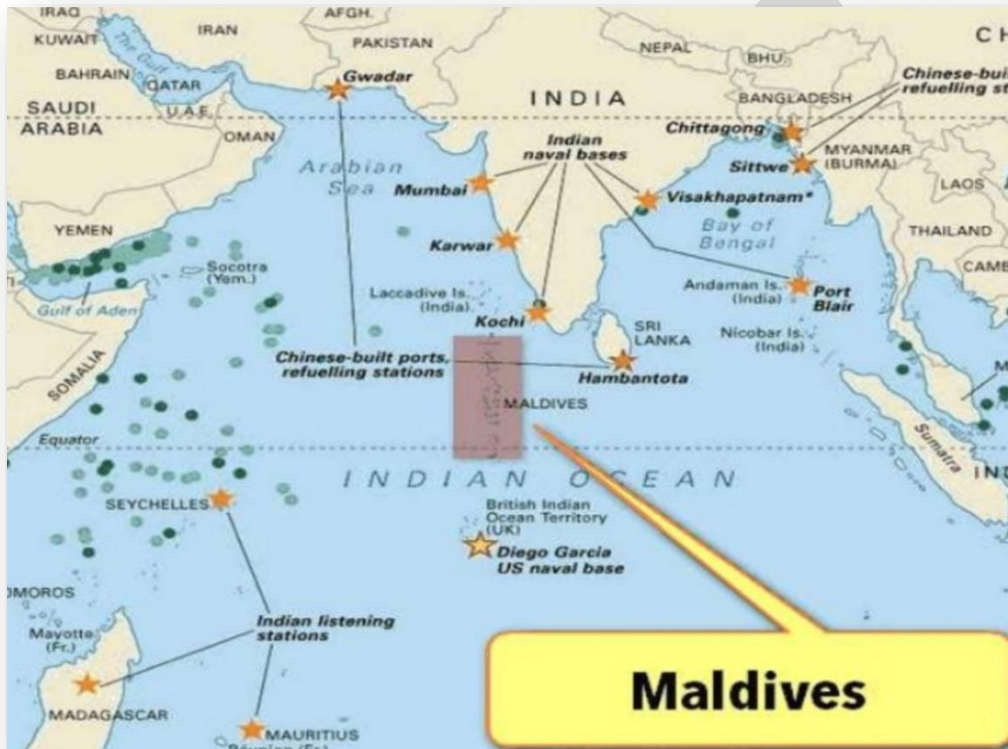
Renewed Engagement (2018 Onward)

- Ibrahim Mohamed Solih became the President, shifting bilateral relations.
- Renewed emphasis on ties with India.
- Both countries committed to democratic values; India assisted in various developmental projects.



Geography of Maldives

Maldives, strategically positioned in the Indian Ocean, serves as a crucial toll gate with two vital sea lanes of communication at its northern and southern ends. These sea routes are essential for maritime trade connecting the Gulf of Aden, Gulf of Hormuz in West Asia, and the Strait of Malacca in Southeast Asia. The physical landscape of Maldives is characterized by coral reefs and atolls, largely falling under Exclusive Economic Zones (EEZs). Threatened by the impact of rising sea levels, the archipelago faces challenges. Additionally, the Eight Degree Channel acts as a separation between the Indian Minicoy and the Maldives.



Significance of India-Maldives Relationship

Strategic Importance

- Focal point of India's "Neighbourhood First Policy."
- Proximity to India's west coast and central position in Indian Ocean sea lanes.

India as a First Responder

- Swift response during the 1988 coup attempt with Operation Cactus.
- Aid during the 2004 Tsunami, water crisis in Malé (Dec 2014), and Covid-19 pandemic.

Net Security Provider

- Comprehensive Action Plan for Defence signed in 2016.
- Joint exercises like "Ekuverin," "Dosti," "Ekatha," and "Operation Shield."



Economic and Trade Engagements

- India's role in Maldives' tourism, being the largest source of visitors in 2023.
- Bilateral trade surpassing USD 300 million in 2021.
- Bilateral USD Currency Swap Agreement signed in July 2019.

Development and Capacity Building

- Infrastructure projects like the Greater Male Connectivity Project.
- Healthcare support, including investments in Indira Gandhi Memorial Hospital.
- Educational initiatives and vocational training projects.

Cultural Connectivity

- Deep-rooted ethnic, linguistic, and cultural ties.
- Maldivian language, Dhivehi, traced back to Sanskrit and Pali.
- Indian expatriate community of around 27,000, contributing notably in education.

Key Issues in the India-Maldives Relationship



Ongoing Lakshadweep Issue

- Controversy sparked by derogatory comments from Maldivian deputy ministers after the Indian Prime Minister's Lakshadweep visit.
- Allegations of India challenging Maldivian tourism, impacting Indian tourist bookings.
- Indian government raised concerns, leading to the suspension of the Maldivian ministers.

India Out Campaign In Maldives

- 'India Out' initiative amplifying animosity, casting doubts on India's investments, defense partnerships, and regional security provisions.
- Maldivian government's opposition to the 'India First' policy, raising concerns about Indian troop withdrawal.

10 REASONS WHY MALDIVES IS IMPORTANT FOR INDIA

- 1 Strategically located in the Indian Ocean, Maldives archipelago comprising 1200 coral islands lies next to key shipping lanes which ensure uninterrupted energy supplies to countries like China, Japan and India
- 2 Since China started to send naval ships to Indian Ocean roughly 10 years ago – and right up to Gulf of Aden for anti-piracy operations – Maldives' significance has steadily grown and now sits at the heart of international geopolitics
- 3 As the pre-eminent South Asian power and a net security provider in the Indian Ocean region, India needs to cooperate with Maldives in security and defence sectors.
- 4 China's massive economic presence in Maldives is a major concern for India. With the country now said to owe 70% of its external aid to China, India had to push back. The current political crisis might just have offered India the right opportunity.
- 5 A large section of population which supports the opposition parties like Nasheed's MDP wants India to act against Yameen.
- 6 Maldives is also a member of SAARC. It is important for India to have Maldives on board to maintain its leadership in the region. Maldives was the only SAARC country which seemed reluctant to follow India's call for boycott of SAARC summit in Pakistan after the Uri attack
- 7 Under Yameen, radicalization grew rapidly and it was often said that the archipelago accounted for one of the highest numbers of foreign fighters in Syria in terms of per capita. India can ill-afford a neighbor which fails to check Islamic radicalization.
- 8 India and Maldives share ethnic, linguistic, cultural, religious and commercial links. India was among the first to recognize Maldives after its independence in 1965 and later established its mission at Male in 1972.
- 9 There are 25,000 Indian nationals living in Maldives (second largest expatriate community), Indian tourists also account for close to 6% of tourists Maldives receives every year.
- 10 India is also preferred destination for Maldivians for education, medical treatment, recreation and business. According to MEA, more and more Maldivians are seeking long term visa for pursuing higher studies/medical treatment in India.



Sovereignty and Security Dilemma

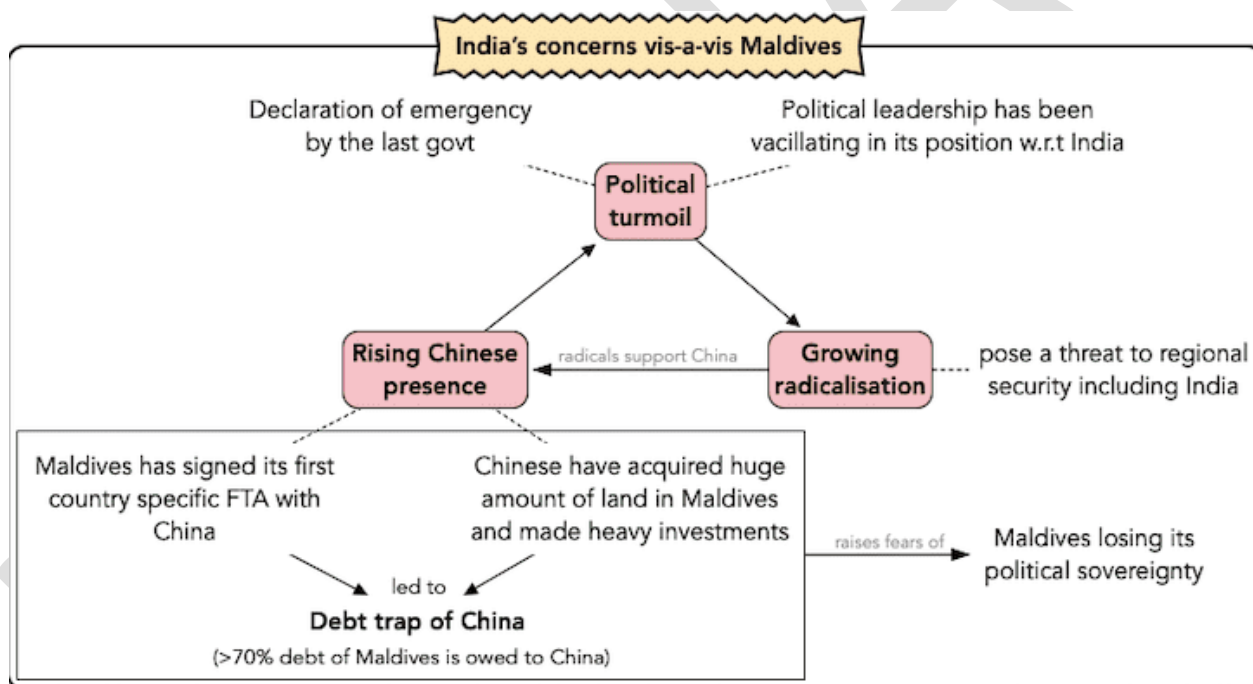
- Maldives' democratic system in early stages, facing socio-political instability influenced by global players.
- Opposition sees Indian military presence as a threat to national security and sovereignty.
- Government emphasizes the India Out campaign as a potential threat to national security.

Revocation of Hydrographic Survey Agreement

- Hydrographic data's dual nature raises concerns in Maldives about intelligence collection.
- Recent decision to revoke the joint hydrographic survey agreement with India causes concerns in Indian strategic circles.

China Factor in the Indian Ocean Region

- Maldives as a key 'pearl' in China's "String of Pearls" in South Asia.
- Massive Chinese investments and participation in the Belt and Road Initiative (BRI).
- Setback in India-Maldives relationship with the Free-Trade Agreement (FTA) between Maldives and China in 2017.
- Speculation about a Chinese naval base in the Maldives, raising concerns about potential military applications.
- China's oceanographic surveys pose conflict points with Indian hydrographic presence in the region.



Strengthening China and Maldives Relations

Presidents Xi Jinping and Mohamed Muizzu signed 20 bilateral agreements during Muizzu's state visit to China. Elevation of diplomatic ties to a Comprehensive Strategic Cooperative Partnership. Focus on enhancing diplomatic ties, political guidance, practical cooperation, collaboration on international affairs, and well-being of their people.

Action Plan and Cooperation Areas

- Formulation of an "action plan" for the China-Maldives Comprehensive Strategic Cooperative Partnership (2024-2028).
- Cooperation areas include the blue economy, digital economy, Belt and Road Initiative infrastructure, and disaster and risk mitigation.

Financial Assistance and Grant Agreement

- China's considerable financial support for cooperation plans.
- An 'Agreement on Grant Assistance' signed, though the exact financial quantum remains undisclosed.

India-Maldives Relations

- Historical context and assistance from India, contributing to projects like the Greater Male Connectivity Project.
- Bilateral trade rise from \$156 million in 2013 to \$501 million in 2022.
- Ongoing cooperation programs in community development and disaster management.

Key Points from Recent Talks

- Diplomatic talks and ceremonial gestures during President Muizzu's state visit to China.
- Commitment to respecting national development paths and sovereignty.
- Elevation to a Comprehensive Strategic Cooperative Partnership signifies a significant milestone.

Signed Agreements and Infrastructure Projects

- Agreements cover various sectors, including tourism, disaster risk reduction, blue economy, and digital economy.
- China commits to infrastructure projects like social housing, fisheries processing factories, and road development.

Diplomatic Challenges and Governance Exchange

- Diplomatic challenges with India involve derogatory remarks and anti-India sentiments.
- President Xi expresses readiness for governance exchange and Belt and Road cooperation.

Appeal for Chinese Tourists and Economic Impact

- President Muizzu appeals to China to boost tourism amid Indian cancellations.
- Economic repercussions highlight the need for alternative economic partnerships.

Economic and Trade Relations

- Bilateral trade between China and the Maldives reaches \$451.29 million in 2022.
- Seeking Chinese investments for 11 projects, signaling a shift in the Maldives' strategic policy.

Concerns Related to China's role in Maldives

China's economic engagement in Maldives raises concerns about debt traps and influence. Massive Chinese investment and participation in the Belt and Road Initiative (BRI). China-funded projects, including ports, airports, and bridges, contribute to the "String of Pearls" initiative. China's hegemonic ambitions in the Indian Ocean region pose a threat to democracy in the Maldives. Apprehensions in India about China's influence due to the pro-China stance of the new Maldivian President.

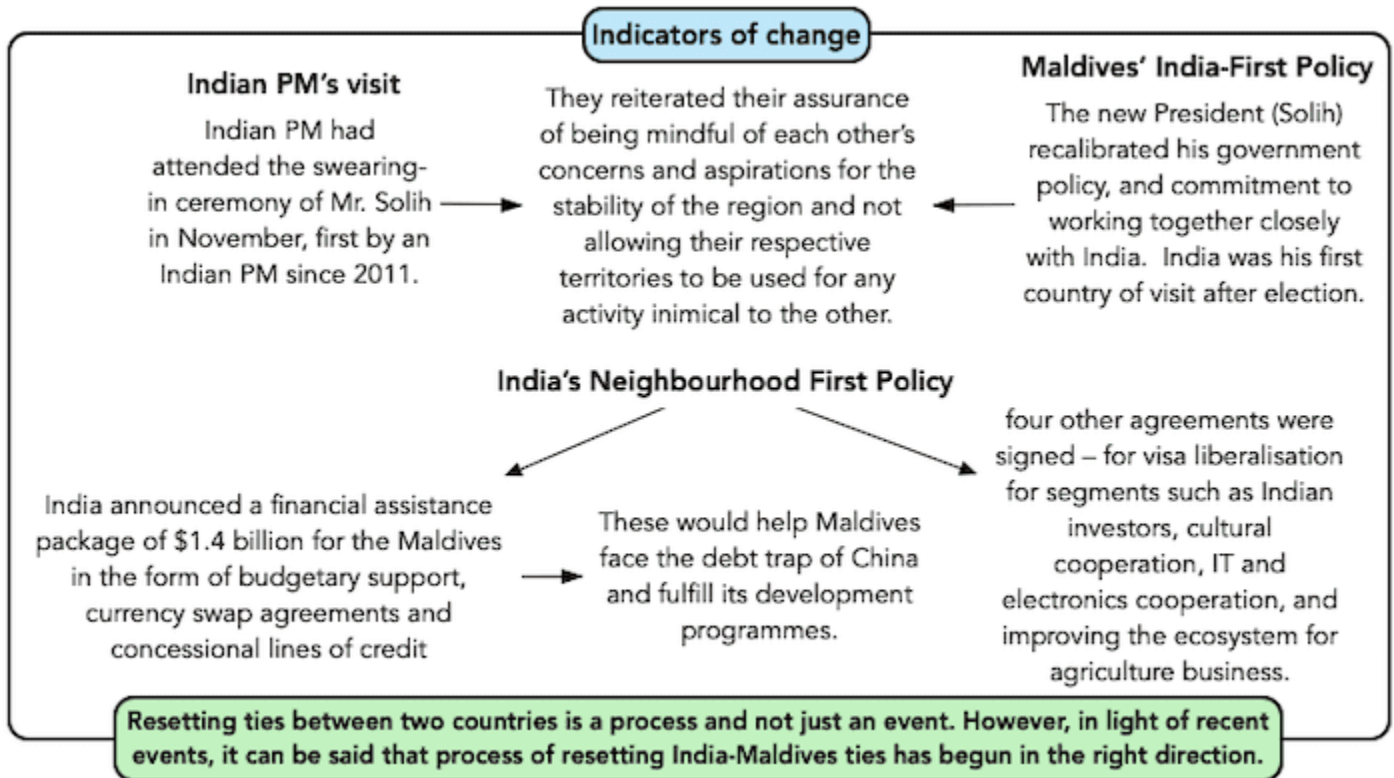
India's Security Concerns

- India expresses concerns about China's growing presence in the Indian Ocean region.
- Development of Chinese-controlled ports and military facilities seen as a challenge to India's strategic interests.
- India responds with intensified diplomatic and strategic engagement, economic assistance, infrastructure projects, and expanded defense cooperation.
- "Neighborhood First" policy aims to counterbalance China's increasing presence.

Perspective of India in Their Relationship with Maldives

- India demonstrates commitment to building strong relations with comprehensive cooperation, security, and infrastructure development.

- Despite challenges like the 'India out campaign' and pro-China policies, India remains dedicated to the partnership.
- Maldives seen as a crucial part of India's 'SAGAR Policy' for regional security and growth.



Way Forward

- Opportunities for India lie in emphasizing a development-oriented approach in the face of changing dynamics.
- Focus on addressing pressing issues like high youth unemployment through impactful community development projects.
- Prioritize the completion of infrastructure projects, such as the Greater Male Connectivity Project, to strengthen influence.
- Encourage a balanced relationship between India and China for the Maldives' developmental gains.
- Strengthen Indo-Pacific security space to ensure regional security in South Asia and surrounding maritime boundaries.
- Uphold historical ties and prioritize the larger interests of the Maldivian people in future actions.